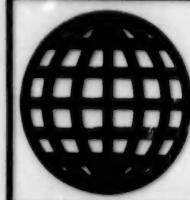


JPRS-SEA-93-011

23 August 1993



FOREIGN  
BROADCAST  
INFORMATION  
SERVICE

# ***JPRS Report***

## **East Asia**

---

***Southeast Asia***

# East Asia

## Southeast Asia

JPBS-SEA-93-011

### CONTENTS

23 August 1993

#### CAMBODIA

Demobilized KPNLF Turn to Banditry <i>[Bangkok THE NATION 4 Jul]</i> .....	1
UNTAC No Model for Future UN Deployments <i>[Frankfurt/Main FRANKFURTER ALLGEMEINE 3 Jul]</i> .....	2

#### MALAYSIA

##### POLITICAL

Minister Stresses Importance of Islamic Education <i>[UTUSAN MALAYSIA 18 Jun]</i> .....	4
UMNO Issues New Book on Election Rules <i>[UTUSAN MALAYSIA 21 Jun]</i> .....	4
MCA President Continues To Get Support From Party Youth <i>[UTUSAN MALAYSIA 19 Jun]</i> .....	5
Government To Establish Education Oversight Office in Iran <i>[UTUSAN MALAYSIA 23 Jun]</i> .....	5

#### PHILIPPINES

Traffic Police Dismissed, Involved in Extortion <i>[BALITA 25 Jun]</i> .....	6
Editorial on Effect of Interest Rate on Economy <i>[BALITA 27 Jun]</i> .....	6
Capabilities of Air Force Outlined <i>[BALITA 27 Jun]</i> .....	6
Suspected Muslim Fundamentalists Arrested <i>[BALITA 21 Jun]</i> .....	7
RAM's Influence Decreasing <i>[BALITA 29 May]</i> .....	7
Implications of Creation of CMA <i>[BALITA 27 May]</i> .....	7
PNP Ill-Prepared To Fight Insurgency <i>[BALITA 3 Jun]</i> .....	8

#### THAILAND

##### POLITICAL

Negotiations Planned With Laos, SRV Over Bus Route <i>[BANGKOK POST 14 Jul]</i> .....	9
---------------------------------------------------------------------------------------	---

##### MILITARY

Air Force Chief on Modernization, Procurement <i>[BANGKOK POST 7 Jul]</i> .....	9
Special Warfare Center Commander Profiled <i>[BANGKOK POST 23 Jul]</i> .....	10

##### ECONOMIC

Industry Executives Discuss IPR Issues <i>[MATICHON 1 Jun]</i> .....	11
Academic Disputes Software Group Loss Claims <i>[NAEO NA 15 Jun]</i> .....	12
Software Industry Upset by Copyright Law Changes <i>[BANGKOK POST 21 Jul]</i> .....	13
Health Minister Criticizes Drug Patent Protection <i>[BANGKOK POST 17 Jul]</i> .....	14
AIDS' Severe Impact on Insurance Industry <i>[THE NATION 19 Jul]</i> .....	14

**Demobilized KPNLF Turn to Banditry**  
93SE0236A Bangkok *THE NATION* in English  
4 Jul 93 p a8

[Excerpts] Ill-disciplined Cambodian soldiers, once guerrillas supported by Thailand against the former Phnom Penh government, have been robbing villagers along the border since the Cambodian peace process began winding down. They have also kidnapped villagers for ransom.

In Prachin Buri's Ta Phraya district alone, recorded cases of banditry reached 48 in the past nine months, or a 100 per cent increase from a year earlier.

A senior government official noted that most of the robberies took place after the complete repatriation of Cambodian displaced people from Thai soil in March. [passage omitted] Villagers residing along the common border now live in fear because of the attacks by the Khmer bandits; many villagers take turns to guard themselves while ploughing their paddy fields.

Thai authorities are more than certain that the bandits were Khmer soldiers.

Most of the robberies have taken place near the Cambodian border where troops loyal to Gen Diel Dell, of the now split Khmer People's National Liberation Front (KPNLF), were stationed.

The general himself admitted recently that the bandits were his soldiers who had been driven by famine to commit crimes.

Diel said he had sought cooperation from Thai authorities to crack down on the undisciplined soldiers.

However, he added that the United Nations should grant financial assistance to his group so that his soldiers would have enough to eat to stop them from engaging in criminal activities.

"I've a headache on how to control these hungry soldiers," Diel said.

"They have not been paid for a long time. Those who we could not control had turned bandits."

Last Tuesday, Army chief Gen Wimol Wongwanich warned that Thailand would no longer put up with robberies committed by ill-disciplined Khmer soldiers. [passage omitted]

The situation has been exacerbated to such an extent that more than 100 border patrol policemen have been sent to reinforce Ta Phraya and its neighbouring district of Aranyaprathet.

Meanwhile Interior Minister Chavalit Yongchaiyudh, Defence Minister Gen Vijit Sookmark and Deputy Prime Minister Amnuay Viravan visited the border areas in the two districts on June 16 to study the problem first hand.

While they were visiting one border village, a robbery was underway in the nearby village of Baan Sa-Ngaeh opposite Cambodian territory under the control of Gen Diel.

A group of 15 Khmer bandits swooped on the village and captured some of the residents and herded their water buffalos across the border.

One of the buffaloes stepped on a landmine. In the ensuing confusion the villagers took to their heels.

The villagers recounted that the 15 Khmer bandits were heavily armed, with five of them carrying RPG rocket launchers.

Usually, poor villagers along the common border have nothing of value for robbers except buffaloes for whom they have developed attachment over long years of working together in paddy fields.

The bandits rustle the buffaloes for food.

This has visited great misery on the poor villagers as they depend on the buffaloes to plough the rice fields, according to Hong Mingwiman, village headman of Baan Sa-Ngaeh.

"Many of my villagers become bankrupt after losing their animals," Hong said.

"They cried on seeing their beloved animals being slaughtered by the bandits. They had raised them for a long time just to let them be slain by others. "He said the government compensated with Bt2,000 for each slaughtered buffalo, but it was not enough to buy a new animal.

Somyalak Mungmee was among the villagers who lost their water buffaloes to the bandits. [passage omitted]

The village headman said most of the villagers dared not leave home to look after their paddy fields near the border for fear of being kidnapped by the Khmer bandits or being robbed of their buffaloes.

"The villagers have to take turns to plough their fields. They would stay together and several of them have to carry firearms to guard those working in the paddy fields," Hong said.

"If the situations remain like this, no one will ever dare to go farming," he said.

Some women also feared being raped by the bandits.

Ladda Phudekaew, a villager in Sa-Ngaeh, said: "I dare not leave the village to our fields near the border. I fear being taken by Khmer bandits. I fear being raped. Many other women share my fear."

In most cases of abduction, the Khmer bandits eventually had to release the villagers for nothing, said Subin Kitjare, assistant Ta Phraya district chief.

He said the villagers could not afford to pay what was demanded and the bandits could not afford to feed the villagers for long. [passage omitted]

A senior soldier in charge of intelligence work said most of the banditry had been staged by soldiers of the KPNLF faction which Thailand supported during the over-decade-long war with Phnom Penh troops.

Apart from Prachin Buri, the bandits have raided villages along the border in Buri Ram's Lahan Sai and Nang Rong districts.

The military source said the bandits had received help from Thai "traitors" who tipped them off on the houses to be robbed.

"The traitors would report to them which house had property worth more than Bt30,000," the source said.

The source added that the robbery rate had increased recently because the Khmer bandits waited until the closure of Site 2 refugee camp in Ta Phraya before turning on Thailand without any second thoughts. [passage omitted]

### UNTAC No Model for Future UN Deployments

93SE0207A Frankfurt/Main FRANKFURTER  
ALLGEMEINE in German 3 Jul 93 p 10

[Article by Erhard Haubold: "Reckless, Sluggish, Costly; The UN Operation in Cambodia: No Model for Afghanistan"]

[Text] Australian General John Sanderson, commander of the "blue helmets" in Cambodia, has been awarded two medals—more for diplomatic endurance than for bravery. Sanderson is accredited with the motto "no (military) incidents" in relations with the Khmer Rouge, which has resulted in the United Nations often giving in and minimizing problems. Yasushi Akashi of Japan, the chief of the officers in Cambodia as well as another 21,000 UN employees there, has received compliments from many sides. Prince Sihanouk has congratulated the "UN secretary general's special representative" on his "historical achievement". The elections in May were concluded with no significant incidents, and voter participation was over 90 percent. After decades of war, the country will soon have a democratically elected government. This is no small accomplishment for the United Nations' most ambitious and costly peacekeeping operation. Akashi and Sanderson are enjoying satisfaction. The gentleman from Japan feels that Cambodia provides a good example for an era of peace-making, and adds that the UN could attempt a similar operation in Afghanistan.

This is not to be recommended. One Eastern European ambassador to Phnom Penh says that he hopes Akashi and Sanderson "will not again be given such a great task and so much money (\$2 billion)." He characterizes Cambodia as a "negative example for resolving a conflict," and points out that the principle demands of the 1991 Paris peace treaties, disarmament of the four factions, and creation of a neutral political climate, have not been achieved. For political reasons, half of the 15,000 "blue helmets" were recruited from the Third World, which also meant a conscious acceptance of military inefficiency. Many of the soldiers from more than 30 countries speak neither English nor French, and thus have no way of communicating during an emergency. Recent ex-convicts (who are said to be guilty not only of drunkenness but also of rape) were sent from Bulgaria; the Indonesian battalion has earned a bad name for itself through indolence. One French colonel says that there are troops in Cambodia that are outstanding (such as the Australians), but that always need some kind of action; and many others, for example from African countries, whose governments are interested primarily in collecting UN currency (for wages and travel allowances).

A trip made by Akashi and Sanderson last year to the northwestern portion of the country, near the border with Thailand at Pailin where the Khmer Rouge dominates, became the key incident that is said to have overshadowed the entire operation in Cambodia and placed it in question in the eyes of many observers. A young partisan carrying a kalashnikov denied them passage. The top UN representatives in Cambodia turned back without protest. Sanderson's

deputy, French General Michel Lordin, says he would not have accepted a refusal. He and other officers speak of a calculated provocation. According to a member of the federal border patrol stationed in Phnom Penh, Lordin would have asked the guerrilla wearing the baker's boy cap to tell his commander that he was there—and would have gone on. "And nothing would have happened, because the young soldier had been ordered not to shoot under any circumstances." But Sanderson had been awarded the medals, so Lordin had to go. One can deduce that the Frenchman was probably right by looking at a speech by Pol Pot, as always the "spiritus rector" of the Khmer Rouge, in which in 38 handwritten pages he refers several times to Lordin but never to Sanderson.

For Akashi of Japan, after the memorable incident outside Pailin the "Asian solution" became a symbol. One could also call it an attempt to avoid any and all confrontation and to avoid admitting defeat—which would necessarily have led to the withdrawal of the United Nations. Although the Khmer Rouge refused to demobilize, breaking the promise they made in Paris, they were repeatedly given to understand that they could return at any time to the "peace process," even after they announced their boycott of the elections and "violence." Khieu Samphan, the official guerrilla leader, was saluted by the UN secretary general. Akashi was responsible for the semantic adjustments. So, shortly before going to the polls, the talk was no longer of free and democratic elections but of "minimum conditions" that would be met by "the best elections possible under the circumstances."

The gentleman from Japan and his general were very lucky. What would have happened if the Khmer Rouge had shot a Japanese "blue helmet" or a German electoral assistant? The 1,500 volunteers from all over the world were assured during their orientation in Thailand, "your safety is guaranteed." But when a young woman from Australia began her duties at the polls in the Svay Rieng Province she found reason to be afraid. "Protected" by only one mosquito net, she spent the nights, together with the male assistants from Cambodia, in a poorly ventilated gymnasium. The only "protection" was an unarmed UN police officer from Indonesia—who spent the nights in his jeep with the motor running and the air conditioning on. "He would never have heard me," said the Australian woman.

Such carelessness is scandalous for an international organization that spends over 100 million dollars a month in Cambodia alone. It is also scandalous that while on one side there is a core of well-paid UN officials and officers who, in addition to their salaries, receive \$130 per diem ("and sit there in their bulletproof vests," according to the Cambodian vernacular), the dangerous work is passed on to poorly paid "volunteers." Around one thousand of these—predominantly young—people traveled for months through the villages explaining democracy, parties, and electoral privacy to the local residents. Another 1,500 volunteers—together with 50,000 local assistants—were then responsible for manning the polling stations and counting votes. It was cynical for Australian Foreign Minister Gareth Evans, one of the "architects" of the Paris peace treaties, to reassure the world with the statement that there was no reason for panic in Cambodia, while at the same time calling for all Australian citizens to leave the country as soon as possible.

"We need the UN, but we need other UN personnel," according to former Belgian diplomat Raoul Jennar, who was an advisor in Cambodia to the 100 nongovernment aid organizations (NGO). Some positive entries to the balance sheet include the high voting attendance despite the threats from the Khmer Rouge—a success of the UN radio system, one of the most modern in Asia. Added to this are a consciousness for pluralism and human rights, several dozen new newspapers, 20 political parties, and the release of political prisoners. The greatest UN achievement, however, is the repatriation of more than 350,000 refugees from camps in Thailand. It took only 100 million dollars, or five percent of the total budget, to accomplish this. The permanence of the operation remains to be proven, however, in the near future, when spending on provisions for the repatriated citizens ceases. "We have fought with heroic efforts for every last vote," says chief election official Reginald Austin. A helicopter carrying ballot boxes even hovered over a couple dozen voters out in the country. The election process lasted one week, and two more weeks passed before the tallying was completed and the UN Security Council confirmed the results. And this was all with fewer than 5 million votes. "In our country 500 million people vote," noted one Indian observer, "and we can finish it in two days."

The United Nations in Cambodia have turned out to be bureaucratic and sluggish, often with people whose aversion to publicity and the press is reminiscent of socialist organizations. The fact that \$2.5 million are set aside for "laundry and haircuts" is laughable. More serious are expenditures of \$11 million for generators (to provide electricity to UN offices) or \$40 million for prefabricated offices in which, because of the heat, no Cambodians will be able to live afterwards. This money could easily have been used to finance a new, urgently needed electricity and water network for Phnom Penh, not to mention the 950 buses that were ordered in Japan and are still there. The government spokesman in Phnom Penh, Khieu Khanharit, fears a "time bomb" following the UN's withdrawal: "These foreigners sit in air-conditioned rooms while our children drink contaminated water." Among the unanswered questions is why more "blue helmets" were not deployed to protect the voters and electoral assistants, although the soldiers were largely "without work" following the refusal of the Khmer Rouge to allow themselves to be disarmed and quartered in barracks. Of the 15,000 "blue helmets" under General Sanderson, 7,000 were assigned to logistics and as bodyguards, only 8,000 were prepared for military deployment, according to foreign experts.

## POLITICAL

### Minister Stresses Importance of Islamic Education

93SE0211A Kuala Lumpur UTUSAN MALAYSIA  
in Malay 18 Jun 93 p 6

[Text] Kuala Lumpur, 17 June—Islamic education needs to be considered a necessity for handling increasingly more complex and more challenging spiritual and human problems.

After making this statement Minister of Education Dr. Sulaiman Daud added that, in reality, Islamic education is the solution for moral problems which affect students as well as young men and women in a more general sense.

He said that, although educated people increasingly make statements, these are marked by a steadily declining level of morality and moral character. This is proved by the frequent occurrence of white collar crime in corporate industry.

He stated that these problems occur because students do not fully apply the objectives of education contained in national educational philosophy and in the fundamental principles of national education.

#### His Speech

He made this statement when he officially opened the conference for national level schools held in Kuala Lumpur on 17 June on the occasion of the celebration of Maal Hijrah 1414 [commemoration of the Prophet Muhammad's flight from Mecca to Medina in Arabia in 622 A. D.]

The text of his speech was read by Mohammed Nordin Hassan, secretary of the Ministry of Education.

According to Doctor Sulaiman, the basic character of modern education has ignored the interests of Islam. This situation has been worsened further by applying science to many, small matters, leading to errors in the presentation of the Islamic message, ranging from the breadth of its scope to more detailed matters.

He stated: "Although these differences of view have appeared, their application needs to be coordinated by linking an understanding of one's obligations to an understanding of the world situation."

#### Important

He said that this is important, because if knowledge is applied in an unbalanced way, professional groups may use their skilled knowledge to deceive banks or to misappropriate the money of other people.

These negative aspects can be avoided if the Islamic community becomes an "Ummatan Wahidah," that is, a united community, and a "Khaira Ummah," a mutually beneficial society. This means an exemplary society in all aspects of daily life.

According to Doctor Sulaiman, these separate views and concepts are a single objective in the theme of the address for the celebration of "Maal Hijrah" in 1993, that is, "Wawasan Memajukan Umat" [the concept of promoting the community].

He continued: "To achieve this objective, we need to engage in more activity of a religious type and make efforts most in accordance with religion, such as holding contests in which students and teachers may participate."

As in previous years the program for national schools in connection with the celebration of "Maal Hijrah" will be filled with religious activities, such as songs or recitations in Arabic, religious quizzes, and speeches in Arabic and Malay.

#### Competition

Mohammed Mukri Abdullah, the secretary of the Competition Committee, said that there will be about 400 persons attending the celebration from all parts of the country. They will compete in the four activities listed above at the Pusat Islam [Islamic Center] at the beginning of next week.

He said: "The speeches in Arabic will be presented by participants from the religious schools. The speeches in Malay will be presented by students from teachers' colleges. Students from elementary schools will compete against each other in singing songs or making recitations in Arabic, while students from middle schools will compare their knowledge in quiz competitions."

All participants have already been chosen from throughout the country. Representatives of all teachers' colleges will be included in the program of speeches in Malay.

Prizes for the winners of the various competitions will only be made public when they are awarded at the Islamic Center on 19 June.

### UMNO Issues New Book on Election Rules

93SE0211B Kuala Lumpur UTUSAN MALAYSIA  
in Malay 21 Jun 93 p 9

[Text] Shah Alam, 20 June—Minister of Information Mohamed Rahmat announced on 20 June that UMNO [United Malays National Organization] headquarters will issue a new guidebook on party regulations for all areas, branches, and sections, before the National Conference of UMNO is held in November 1993.

He said that the old guidebook may no longer be used because several changes have been made since UMNO consultative meetings were held in the two areas of the country [Western and Eastern Malaysia].

He declared: "The guidebook will be issued as soon as possible before elections for the highest UMNO leaders are held in November 1993."

Speaking to reporters after the formal meeting he held in Kuala Lumpur on 20 June with the secretaries of UMNO branches and sections in the States of Selangor and the Western Malaysia area, he continued: "This is being done to make sure that all activity projected by UMNO at the area, branch, and section levels goes forward smoothly and always in accordance with the regulations set down by the party."

Regarding the total UMNO membership at present, Mohamed said that there are 2.0 million members, and this figure has reached the goal sought by the party.

He declared: "One-fifth of all Malays are now UMNO members, and I am convinced that this total will rise."

In any case Mohamed admitted that there have been requests made through UMNO branches and sections which have not been met by branch and section chairmen because they feared that their position would be weakened.

### MCA President Continues To Get Support From Party Youth

93SE0211C Kuala Lumpur UTUSAN MALAYSIA  
in Malay 19 Jun 93 p 5

[Text] Alur Star [Kedah], 18 June—The Central MCA [Malaysian Chinese Association] Youth Organization will continue to give its support to the leadership of Dr. Ling Liang Sik and wants him to be retained as party president. This was stated by Chan Kong Choy, chairman of the Central MCA Youth Organization.

Chan Kong Choy said that Doctor Ling's contribution to the party, such as the establishment of Tunku Abdul Rahman College and the project to raise the educational level of candidates living outside the cities, undertaken in the Langkawi Islands, cannot be ignored.

Therefore, he said, the MCA Youth Organization does not agree with anyone who challenges or seeks to replace Doctor Ling, who is also minister of transport.

Chan Kong Choy commented on the action taken by Woon See Chin, vice president of the MCA, to run for the office of party president in the forthcoming elections.

Chan, who is also deputy minister of culture, arts, and tourism, made this statement when he was questioned by reporters after opening the MCA Convention in the State of Kedah in Alur Setar on 18 June.

### Concern

Chan also said that the MCA Youth Organization was concerned over the struggle for the office of MCA president. However, he said: "In a democratic system we cannot prevent anyone running for office."

He said that the action to run against the president of the MCA was the result of an individual decision and did not reflect dissatisfaction with the party president by MCA members.

He said that more than 600 MCA Youth Organization branches out of about 2,000 MCA Youth branches fully support the leadership of Doctor Ling. He declared: "We will not ask an opponent of Doctor Ling to abandon his desire to run for the office of party president."

Regarding the proposal that a two-thirds majority would no longer be required for changes in the party constitution but only a simple majority, he said that as chairman of the MCA Youth Organization he did not agree.

He said: "Changes in the constitution are very serious matters, and we take them seriously."

In any case, he added, the view of the MCA Youth Organization is that a two-thirds majority must be maintained in the interests of the country.

### Government To Establish Education Oversight Office in Iran

93SE0218A Kuala Lumpur UTUSAN MALAYSIA  
in Malay 23 Jun 93 pp 1, 2

[Text] Kuala Lumpur, 22 June—The Islamic Affairs Section in the Office of the Prime Minister is discussing with the Ministry of Education the establishment of a student affairs office in Iran to supervise Malaysian students who are studying in that country so that they will not be influenced by Shi'ite thinking.

Zainal Abidin Abdul Kadir, the director of the Islamic Affairs Section, said that he believes that this action is the most appropriate way to provide guidance to the students so that they do not carry on activities not in accordance with their original objective in going to study in that country.

Zainal Abidin told an UTUSAN MALAYSIA representative when he met with him at his office in Kuala Lumpur on 22 June: "We are having discussions with the Ministries of Education and Finance on the need to establish a student affairs office in Iran."

He made this statement in commenting on what followup action will be taken by his office following the statement on 21 June by Dr. Abdul Hamid Othman, deputy minister in the Office of the Prime Minister, that 60 students from Malaysia have been sent by PAS [Pan Malaysian Islamic Party] to undertake Shi'ite studies in Iran.

Doctor Hamid said that at first the students only said that they wished to undertake the usual kind of Islamic studies. However, later on they will absorb Shi'ite thinking.

He said: "A student affairs office needs to be established. This action was proposed by the Malaysian ambassador to Teheran himself to study these indications before more students from Malaysia apply to study in Iran."

According to Zainal Abidin, so far about 100 Malaysian students have applied to study in Iran, he said. As this is a democratic country, the government does not wish to prevent anyone from seeking an education in whatever country he or she wishes.

Zainal Abidin said that when Prime Minister Dr. Mahathir Mohamad recently visited Iran, he advised Malaysian students there to concentrate their attention on their studies and help in the development of the Islamic religion in Malaysia when they return home.

He said: "Therefore, I advise parents to consider and decide where their children should study overseas and choose a university approved by the government."

He said that the objective of PAS in inviting 60 students to go to Iran to undertake Shi'ite studies is to ensure that the students will be attracted by the revolutionary activity going on in that country and oppose the Malaysian Government in a determined way.

In any case, Zainal said, that kind of struggle does not fit in with what is going on in Malaysia because the government of this country is accustomed to carrying out just policies and does not approve of any kind of oppression of anyone.

**Traffic Police Dismissed, Involved in Extortion**93SE0208B Manila *BALITA* in Tagalog

25 Jun 93 pp 1, 2

[Text] Yesterday, six traffic policemen were dismissed because of their involvement in extortion with motorists, according to the Philippine National Police [PNP].

Senior Superintendent Miguel Coronel, director of the Traffic Management Command of the PNP, said that the six policemen were relieved of their duties, after the PNP Traffic Management Command [TCM] received complaints about them.

Coronel added that the dismissal of these men was part and parcel of the current clean-up of the bad elements from their commands. He also stated that drivers caught bribing traffic officials will also be brought to trial.

The policemen dismissed were identified as: SPO4 Cesar P. Salting, SPO2 Domingo R. Mallari, SPO2 Jesus P. Soliman, SPO1 Jose B. Albajes, SPO1 Renancio L. Capangyarihan, and SPO1 Jose S. Fernando.

There have been many motorists who identified these policemen as extortionists in lots of extortion cases. Coronel added, "They were indeed involved in extortion."

It was also mentioned that Salting and the dismissed policemen were all former members of the dismantled Metropolitan Traffic Police Command, formerly a part of the Metro Manila Authority.

The said traffic unit above was dissolved in the last month of last year after the metropolis mayors and the PNP officials decided to centralize the traffic operations, forerunners of the TMC and Highway Patrol Group.

Coronel further stated that the former men of the MTTC are not fit for traffic jobs, and that it has been recommended that they be relieved of their positions, and possibly dismissed from service.

Regarding the TMC's campaign against motorists bribing the police, Coronel stated that five passenger jeepney drivers have been taken to police stations after being told to clean up their act in exchange for the price of their bribes.

**Editorial on Effect of Interest Rate on Economy**93SE0209A Manila *BALITA* in Tagalog 27 Jun 93 p 4

[Editorial] The earnings from the 9.9 percent interest on Treasury Bills issued by the Central Bank, the lowest rate in six years, saddened some wealthy investors by cutting their gains in T-bills and other investments in half.

Similarly, the money managers have good news to report to those who understand the flow of the means of livelihood: the interest rates in the country will still continue to go down.

The explanation is clear. Lower interest rates paid on T-bills by the Central Bank which monitors and controls the interest rates in the country means that there is an adequate money supply, and that loans are available. The earnings from T-bills set the interest rates charged by the banks.

In this case, the government's expenditures on debts will be lower, thus making some savings possible. Likewise, the deficit in operations will decrease.

Those who have extra money will also be tempted to use it as capital for business, instead of simply living on interest income alone. The wealthy can furnish capital for industries and new businesses that create jobs in order to reduce unemployment and underemployment. Until April, the unemployment rate was 11.3 percent, or one in five Filipinos.

The truth is that high interest rates are good only for those with extra earnings who can invest them in fixed income securities. It is tempting to say that these people are lazy, and do not participate in productive work. The value of money should be based on production costs, and should be passed on to consumers through high prices and inflation.

Hence, the earnings from fixed income investment are lower; inflation is much lower, in order to maintain the value of the peso, and thus there is a more competent power able to save.

Now is the time to invest capital in productive work, and to broaden trade and commerce so that managing the value of money well will render flexibility in the future.

Continuing the excellent management of the resources of the country and decreasing expenditures, the Government can do well to lower the earnings from T-bills, and economic progress can be induced, so as to broaden it.

**Capabilities of Air Force Outlined**93SE0208C Manila *BALITA* in Tagalog 27 Jun 93 p 5

[Text] The Helilift has been an impressive aid in combat operations during the past year. It has been relied upon to transport soldiers via helicopters and aircraft, for the situation here is that troops going to war are scattered over important areas, and the Helilift is also used for evacuating soldiers from extremely dangerous combat areas.

The airlift of soldiers and civilians, to and from combat areas, and of war materials and cargoes needed by the Army, must also be mentioned here.

In the past, the transport fleet of the Philippine Air Force had airlifted thousands of soldiers and civilians with permits, as well as cargoes, in the C-130, which is designated as the Army cargo plane. The said giant plane of the Air Force carried relief goods brought to, and distributed in, places devastated by typhoons and earthquakes.

The Army also performed air evacuations or mercy missions, always manned by men of the Air Force; the airplanes and the men who do this type of mission have been called "angels of mercy." Often used are the UH-1H "Huey" helicopter, BN-Islander, Nomad, and Fokker F-27 for such missions. Many of those evacuated are wounded soldiers and seriously ill civilians being taken to hospitals in Metro Manila.

Another type of mission is the evacuation of all types of airplanes to safer places when typhoons occur and the transport of planes for repair—all this is a part of airlift operations.

Still another colorful, but dangerous mission of the Philippine Air Force is the search and rescue operation frequently performed by men of the 505th Rescue Squadron under the command of the 205th Helicopter Wing of the PAF [Philippine Air Force].

The search and rescue operations have offered the greatest benefit to the people from the military and the government, to all those who have been benefited by this type of mission. The most important role that the mission performs is in its use of any suitable type of air transport for aerial surveys.

Still another mission similar to what the Army performs is the widespread search for lost sea vessels of all kinds, including lost airplanes. The search and rescue operation is also carried out for the benefit of thousands of civilian victims of floods and typhoons.

Just a few days ago, the men of the 505th Rescue Squadron performed a retrieval operation on a mountain in Guiting-Guiting, Romblon, where there was an Air Force aircraft which had crashed a year and seven months before it was found.

In addition, men of the Air Force often perform rescue operations for people living near Mt. Pinatubo, whenever there is heavy rain; also when there is a flow of lahar (a lava-like flow) from Mt. Pinatubo, the PAF rescue team becomes very active in helping people affected by the flow.

The Air Force frequently performs air rescue operations on behalf of residents who are the victims of floods and typhoons, residents who would otherwise be unable to leave their homes.

#### **Suspected Muslim Fundamentalists Arrested**

93SE0208A Manila *BALITA* in Tagalog  
21 Jun 93 pp 1, 2

[Text] According to a report received yesterday by the Central Operations Center at Camp Crame, the National Police and the military joined forces and last Friday, captured two suspects who are members of the Abu Sayyaf group, an organization of Muslim fundamentalists believed to be responsible for the bombings of business establishments in Mindanao.

The report stated that 200 kilos of ammonium nitrate and potassium chloride, which are elements used to make big bombs, were confiscated from the two suspects, identified as Abdul Sahi Tadjad and Abdulmaid Lim.

The report also stated that Tadjad and Lim were both arrested in the house of a certain Placio Abadi in Zamboanga City itself.

Judge Ribing Asali, of the Zamboanga City Regional Trial Court, issued the arrest warrant, asking elements of the 448th Mobile Force Company and the 2nd Marine Battalion to do the arresting.

The police and the military authorities received information that the two suspects were hiding in Abadi's house, and that all the weapons they had brought with them were high-powered.

A raiding team was formed, and Abadi's house was raided; the operatives confiscated an M-16 rifle with 10 magazines in it, 387 bullets for an M-14 rifle, a black container for the M-14, 368 bullets for the M-16, and five sacks of ammonium nitrate plus a small bag of potassium chloride for making bombs.

According to the report, the two suspects are now in a PNP detention cell in Zamboanga City and furthermore, are

undergoing a tactical interrogation on their participation in the bombings in Zamboanga City.

#### **RAM's Influence Decreasing**

93SE0193B Manila *BALITA* in Tagalog 29 May 93 p 3

[Text] It was announced yesterday that the "Reform the Armed Forces Movement" (RAM) still possesses many different kinds of weapons while at the same time currently participating in peace talks under the auspices of the National Unification Commission (NUC).

It should be mentioned here that the RAM, headed by the former Brigadier General Edgardo Abenina is asking for permission from the NUC to bear arms in order to protect themselves.

A congressman who doesn't want his name mentioned stated that if the RAM men are really sincere in participating in the peace talks, then they should voluntarily surrender their weapons which, until now, are still in their possession.

According to the same congressman, the information that the RAM still has lots of weapons came from the Intelligence Community of the Armed Forces of the Philippines and the Philippine National Police.

The same congressman also stated that the Department of National Defense must take the initiative and lead in persuading and inducing the rightist rebels to give up their hidden weapons.

#### **Implications of Creation of CMA**

93SE0192C Manila *BALITA* in Tagalog 27 May 93 p 4

[Text] The House of Representatives approved, in its second reading of HB 7037, the creation of a Central Monetary Authority [CMA], designed to replace the Central Bank of the Philippines.

The intricate problem as to what to do with the Central Bank liabilities would be solved by a proposal which would release a 25-year bond that could run into 300 billion pesos, payable to the Central Bank in yearly installments of 20 to 25 billion pesos.

The pure and simple truth is that in the past, especially under the Marcos Administration, the Government owed huge debts in notes that are now with the Central Bank. Under the rules and regulations of the Central Monetary Authority, the successor to the Central Bank, the CMA will restore its original function of creating and administering monetary policy for the Republic without political interference: the Central Bank couldn't defend and implement its monetary policy and perform its administrative function under its current system, which is full of huge debts which are truly the Government's debts. The debts were incurred by the Government and must, therefore, be paid off by government revenues; this means that the government should spend from 20 to 25 billion pesos annually, and this will be added to its domestic debt service budget.

The economic reality is that if a debt is incurred, it must be paid off; it won't go away like magic.

The approval of the bill is timely; the Senate can also take similar measures, and a complete, solid bill to create the Central Monetary Authority can be passed.

Otherwise, the release of some delayed loans from the international funding agencies will not take place.

The medicine is bitter; however, it must be swallowed—for in the long run, it is good for the future.

#### PNP Ill-Prepared To Fight Insurgency

93SE0193A Manila *BALITA* in Tagalog 3 Jun 93 p 2

[Text] Deputy Director General Umberto Rodriguez, PNP [Philippine National Police] chief, admitted yesterday that as of now, the national police cannot handle all of the counter-insurgency operations (COIN) from the military; nevertheless, the PNP hopes that all the antirebel campaigns will be under its control by the end of the year.

The ill-preparedness of the police is due to its insufficient number of men and weapons which are greatly needed to suppress the rebels, especially its lack of attack aircraft and helicopters.

Rodriguez confirmed that the PNP can only manage their COIN operations in less critical places, or in places that have gotten rid of the rebels.

Nevertheless, AFP [Armed Forces of the Philippines] General Lisandro Abadia announced that the military will certainly continue to pursue their formal plan of relinquishing to the PNP all the counter-insurgency operations at the end of 1994, unless the current law is amended.

According to the military officials, six area commands of the AFP will be abolished by the end of 1994, as soon as the COIN operations are transferred over to the PNP.

## POLITICAL

### Negotiations Planned With Laos, SRV Over Bus Route

93SE0235A Bangkok *BANGKOK POST* in English  
14 Jul 93 p 6

[Text] The Transport Company plans to extend its passenger bus services to Laos and Vietnam, Transport and Communications Deputy Minister Charas Phuachay said yesterday.

Discussions had been held with Laos' Transport Ministry to introduce about six bus service trips daily between Bangkok and Vientiane as soon as the Mekong River Bridge in Nong Khai was completed next year, he said.

The Laotian Government has reserved a five-rail plot in the middle of Vientiane as a bus terminal site, he said.

Thai officials were told to negotiate with their Laotian counterparts to set up a Thai-Lao joint venture company to establish the terminal and the capital-to-capital passenger service.

The Bangkok-Vientiane route was expected to get a warm welcome from tourists, he said.

The Transport Co also wanted to start two or three bus trips a day from Bangkok to Mukdahan through Savannakhet in Laos to Danang in Vietnam, Mr Charas said.

Mr Charas said he would ask the Laotian Government to help negotiate with Vietnam's counterpart to establish the bus service.

## MILITARY

### Air Force Chief on Modernization, Procurement

93SE0234B Bangkok *BANGKOK POST* in English  
7 Jul 93 p 6

[Text] Royal Thai Air Force Commander-in-Chief Kan Phimanthip says Thailand's air defence system is ranked one of the 10 best in the world.

ACM Kan said yesterday he has asked the House Armed Services Committee to help push through the Air Force's budgets for next fiscal year. Funds to cover a "very necessary" air defence system project were sought.

"With the Air Force's air defence system we have now, we're one of the world's 10 best," ACM Kan said.

The House Armed Services Committee, led by ex-army chief Arthit Kamlang-ek, visited the Air Force Headquarters in Bangkok and the Air Wing One in Nakhon Ratchasima yesterday.

The Arthit committee was briefed about the Air Force's air defence system at the Don Muang headquarters and expressed satisfaction with it, according to the air force chief.

Gen Arthit pledged to support appropriations for the Air Force in Parliament.

The air force chief said the Air force's air defence system project was into its ninth year and was being implemented in the South after it being completed in the Northeast and Central regions.

However, he declined to say how much such a high-tech system would cost or whether it has already been given specific funds among the more than 17,000 million baht budget for the Air Force next fiscal year.

The air defence system relies largely on high-technology equipment and coordinates closely with the so-called triple C system [command, control and communication].

ACM Kan explained that the Supreme Command was running the triple C system under which military operations would be carried out with real time orders given from the supreme commander to the commander-in-chief of each service.

But there was still no such system specifically deployed by the air Force yet.

ACM Kan said he expected the Arthit committee to help the Air Force with its air defence system project which would need a considerable budget for procurement of high-technology equipment.

Some members of the House Armed Services Committee also sit on the 1994 Budget Scrutiny Committee.

He said the system was very necessary.

"Some of our neighbours are going to get better weapons systems. We too should have an improved defence system," ACM Kan said.

The air force chief apparently referred to Malaysia which plans to procure 18 MiG-29 Fulcrum fighters from Russia and eight F/A-18 Hornet fighters from the United States.

ACM Kan had recently said Malaysia would have greater air power than Thailand with those modern combat aircraft.

Meanwhile, the House Armed Services Committee chairman said he and his committee members would help explain to the 1994 Budget Scrutiny Committee the necessary air force projects, including the air defence system, procurement of high-technology equipment related to such defence plans and the air force personnel housing project.

However, those air force projects would be very costly, particularly procurement of high-technology equipment, and would take several years to finish, Gen Arthit said.

"The House Armed Services Committee will tell Parliament and the people of the necessity of the air force projects, such as the one to build up housing (for air force personnel), which are so much needed. They would cost a lot and it might take three to five years to finish the housing project."

Gen Arthit said he and his committee members had no doubts about the Air Force's projects including those for procurement of weapon systems but were satisfied with progress that the Air Force has made in development of its defence plans, technology equipment and pilots.

**Special Warfare Center Commander Profiled**  
93SE02344 Bangkok BANGKOK POST in English  
23 Jul 93 pp 4, 5

[Report on Interview with Special Warfare Center Commander Lt Gen Surya Chulanond by Kanchana Spandler]

[Excerpts] Lap Bun—He is a future commander-in-chief of the Royal Thai Army, they say. "In the eyes of other generals they think he is an ideal future Army chief," a source well-connected to the Army comments.

He is a "good person and a gentleman," those who have met him sing his praise in unison. A "progressive thinker and truly democratic-minded," a *Thai Rukh* reporter, who knows him attests.

Amongst academic circles he is well regarded for his intellectual capabilities. As the right-hand man, the "most trusted" aide of former prime minister Gen Prem, he worked alongside several of Thailand's leading academics on an important committee that dealt with the rice price issue.

A university professor who was speaking on the same panel as the general not long after the May tragedy says he was so impressed by him that he sent him a letter afterwards commending him highly as a token of appreciation. A rare gesture that was, coming from an academic who's known to be an outspoken critics of the military.

However, some say the May events may have tarnished his brilliant image somewhat. Those soldiers raiding the Royal Hotel on May 19 who started hitting and walking on people, journalists included, were from his division—the Special Warfare Command, they claim. [passage omitted]

"Resolute" the Lt-Gen certainly is. An "silent" he must be. Or he seems to be that type of person who talks only when there're worthwhile things to talk about. And that includes a sense of humour. It's a hardly surprising characteristic in fact, considering that his most cherished pleasure is to walk in the jungle. That's something he has been doing since he was 13 years old, he says.

"When I was undergoing training at the Thunarat Camp I used to love to go hunting wild boar near the Burmese border along the Pran River. I love that kind of adventure. My friends who went with me didn't expect that from a guy who doesn't look adventurous and who's small (165 cm tall)," he recalled.

The Special Warfare Commander appeared most happy in fact when he talked about his life—be it his student days at St Gabriel (1954), or at Suan Kularb where he graduated in 1957 before attending the Pre-Cadet Academy and afterwards, the Chulachomklao Military Academy where he graduated in 1965 ("Class 12", to put it in a fashionable way). [passage omitted]

Lt-Gen Surya's father, Lt-Col Payome Chulanond joined the then Communist Party of Thailand and became a key member of the CPT's Central Committee. According to one ex-CPT member, Lt-Col Payome remained with the Party until his death sometime in the mid-Seventies.

His father's unique life inevitably created an impact upon his career whether he's prepared to admit it or not. There were incidents like his request to be sent to Udon Thani,

which was turned down. Any outstanding student has the privilege of "asking" for an assignment, incidentally. And like his screening in Lap Bun (in 1966 at 1st Battalion of 31st Joint Regiment) whilst his friends were appointed elsewhere.

The "turning point" in his life started then. "When in distress only religion was a refuge," is how he put it. He started digging into the teachings of Buddha. Related Lt-Gen Surya:

"I discovered all we learn about morality is so shallow. Buddha's teachings go far deeper than that. I found out that my misery was actually nothing. Whatever would happen would happen, but it doesn't mean that we should let our life float aimlessly as some people understand the word *karma*. As long as we lead our life on the right path that should be enough as far as morality goes. I loyalty uphold this principle but I do not impose my standards on other people." [passage omitted]

In 1972 he was studying at the Staff College and the competition was very tough. But he graduated top of his class, an honour which caused him to be selected to go on to Fort Lavenworth in the US (1974-75).

Lt-Gen Surya's western education and training includes a career course at the State of Georgia's Infantry Centre and a jungle warfare training course at Jabor Baru in Malaysia. It goes without saying that he had undergone all kinds of training—from surprise attack to parachuting here in Thailand. A Special Warfare soldier, after all, must know how to do everything. And that's what so "special" about this division—which some say is the "equivalent to a 5th regional Army command."

Explained Lt-Gen Surya proudly, "We are responsible for doing the things that others don't do since we don't have a specific terrain which we're responsible for. We operate from the air, on the ground and in the water."

According to the information provided by the video presentation on the Special Warfare Command, the main task of the Command is to undertake strategic planning for the Army in three major areas namely, the "unconventional warfare," "psychological warfare" and "direct action warfare." In the words of the Commander, "Ultimately, the idea is to befriend our neighbouring countries in order to co-operate with them for future economic and racial development—as a beginning point against future unknown dangers that might arise."

Dangers and threats, perceived or real, were amongst the subjects that the Special Warfare Commander spent time to patiently elaborate on. The recent announcement by Malaysia of big increases in its defence budget which many observers see as an "unfortunate example and unnecessary" was brought up for the Commander's comment.

In the opinion of the 49-year-old Commander (he will turn 50 in August) this is an issue that should not overly concern Thailand.

"It reflects the differences on how each country looks at the world situation. If they thought the situation is fluid and unpredictable they would have to be ready to deal with that situation. It's not easy for us outsiders to understand whether if (the increased budget and purchases of more

arms) are for perceived or real threats. Malaysia may have a different perception on this point from others.

"Personally I think they might feel that in the future the issue of the Spratly Islands may create problems for them. Malaysia is far from the Spratly Islands and they might not now have sufficient readiness either in air or sea terms to balance off the perceived threats which they think might arise....

"part of the reason why countries in Southeast Asia can afford to increase their defence budget is because of the steady economic growth which is in reverse proportion to big industrialised countries where the economy is declining. Malaysia is considered an economic tiger now."

What about our own situation? What are the current external security threats to Thailand as perceived by the Army?

Thoughtfully, Lt-Gen Surayuth gave as examples a few of what he regards as "small" and "immediate" issues. The conflicts along Thailand's borders. The problems of minority groups. Drugs and trans-border prostitution. And the "unresolved problem of border demarcation between Thailand and Laos along the Mekong River which has been a problem since 1894."

The current picture now, he believes, is that Laos and Cambodia will no longer be problems eventually. But not Burma.

The Commander of the Special Warfare Command was particularly concerned. If Thailand is to change her foreign policy towards Burma to comply with the international community's view, does this mean we're going to have more conflict with Burma? Would such a change mean the Army would have to prepare itself to cope with the changing situation? The question that presents the biggest problem now, Lt-Gen Surayuth believes, is: Should we continue to recognise the government of SLORC and maintain the policy of "constructive engagement" or should we move to give more recognition to the various Burmese liberation movements? [passage omitted]

On a subject much closer to home, his "home". There's an ongoing debate over the idea of whether Thailand should end conscription and move to an all-volunteer Armed Forces. Is an all-volunteer Armed Forces an idea currently being discussed within the Armed Forces? If not, why not?

"I should think it won't be long before this comes true. Details are being studied and it should be along the guidelines many people have talked about. I cannot say much now. This issue doesn't only involve the Army, but the Navy and Air force too." [passage omitted]

Since last May the public perception is that to some degree, the government of Thailand has exercised a greater degree of control over the military but analysts who follow military affairs closely, disagree. They say in reality little has changed. The military leadership still very much sees itself as an independent guardian of the nation's security and key institutions and resent any and all attempts by politicians to exert proper constitutional control.

Is there any on-going debate over this issue within the Thai military today?

"Perhaps it's not an 'issue' as you call it, because we consider we've done what we had to do (after the May event). I think the issue of 'guardian' might be a perception of outsiders .... As far as the 'resentment' question is concerned, this may not be true. The problem is individual politicians, not all, and how capable they are. There was talk amongst ourselves in the beginning that if Prime Minister Chuan wanted to be also defence minister we wouldn't have had any objection to that."

How much real progress is being made in the Thai military's move to a smaller and more professional Armed Forces?

"The aim is to decrease the size by 15 per cent in the first five years and 10 per cent in the following five years. We've started one year ago. This is not to decrease the strength but to improve the structure. We even look ahead further that when the Army gets smaller we will have to have a reserve force not a lot but depending on necessity." [passage omitted]

## ECONOMIC

### Industry Executives Discuss IPR Issues

93SE0215B Bangkok MATICHON in Thai  
1 Jun 93 p 5

[Text] Note: This report was drawn from part of a seminar concerning the copyright laws and the music business which was organized by the Butterfly Company, the Mahachak Company and the SAE Institute. This institute teaches music techniques (School of Audio Engineering). The seminar was held on 29 May. [end note]

The new copyright law is being modified again and soon will be ready. It has important elements which are of interest to and will change the nature of the music industry not only for those working in music but also for those using or broadcasting music - for advertising companies and radio stations, pubs, [karaoke] bars or anyone using or presenting this music. The new law protects the collateral rights of the copyright holder. This means that any radio station playing music or any person singing the music of someone else in a public place such as a pub or [karaoke] bar must pay a fee to the owner of the copyright each time.

Peter Gun is the chairman of the International Federation of Tape and Record Producers (IFPI). Thianchai Pinwiset is the director of the IFPI. Chiraphan Angsawanon is a member of the board of directors of the Butterfly Sound and Film Service. They presented their views concerning the effect of the new copyright law on the music industry in Thailand.

Peter Gun: This law in principle has many advantages. But how much the protected parties law will benefit will depend on the extent they know their rights and the extent to which they assert them. If they know how to demand their rights then the benefit will be that the music industry in general will develop. For example in the future a radio station will have to pay a fee each time it plays music. The stations will be meticulous in selecting good quality music. They will not accept programmed music. At the same time the music performers and composers will be encouraged because they will know that if they make good music, it will be played often and they will receive the fees from the broadcasts. In

addition when the artists sign contracts with the music companies, this law will provide a guideline which indicates what one should demand from a company so that there are no problems later. I believe that the Thai people accept new things easily, but I am not certain how soon all sides can fully participate in the regime. For example in the United States they allow six months. There are now some good signs, for example many radio stations have announced that they do not accept programmed music.

**Chiraphan Angsawanon:** The Thai people still have little regard for others' copyrights. For example the music of Butterfly's Ekarong group was used without permission. Those who used it were just a group of friends who sang it. The new copyright law will have a very positive effect on hiring and job creation because when a copyright fee must be paid, it encourages the production of more new music which is personal property. For example the music played in pubs had merely been borrowed from other people; when copyright fees must be paid, then they might write their own music because if their music gains acceptance, they will also get copyright fees. And the advertising companies which use music in their work might hire music producing companies to write music for them when they see that the copyright fees are too expensive. This would generate more jobs and income.

In other countries musicians and artists generally get most of their income from broadcasting rights - these are the copyright fees for broadcasting the music. The more popular the song, the more it gets played and the greater the income. Therefore I hope that after the new law is put into effect, all those in the music industry in Thailand will be better off. Even if they are only half as well off as those in other countries, it will still be good.

**Thianchai Pinwiset:** For the sake of fairness the collecting of copyright holders' fees, a copyright commission has been set up with representatives from the government and private sector. It will set appropriate limits. Copyrights can be used in two ways: the owner of the copyright can allow the copyright of item's specific use or the copyright may be transferred either wholly or in part. The owner can transfer it for a specific period or for the life of the copyright. There is a dispute over whether such transfers will have to be registered.

#### Academic Disputes Software Group Loss Claims 93SE0215A Bangkok NAEONAI in Thai 15 Jun 93 p 3

[Article by Professor Phiset Setsathien, Chulalongkorn University Faculty of Law]

[Excerpt] [passage omitted] A group calling itself the Business Software Alliance or BSA has issued a report stating that Thailand is the foremost violator of computer software copyrights in the world!

BSA represents no one. It is a group of businesses producing various brands of computer software which joined in an alliance to eliminate those whom they felt were violating their software copyrights. Acting alone, they would not be effective so they joined together and now when they go in to seize goods instead of seizing one brand, they seize all the brands.

BSA has demonstrated its effectiveness in eliminating copyright violations throughout the world for many years. If I remember correctly, last year they went to a municipal office in England and shut the place down even though it was a government unit - it had been using pirated software.

In Thailand this group has been showing its strength for about a year so we must be careful. Some day they might go to the Ministry of Commerce, find a computer using pirated software, and Minister Uthai Phimchaichon will be shut down and will not be able to discuss trade.

With regard to the Thai violations of software copyrights cited by BSA, their figures are listed below:

Country	Percentage of violations	Losses to income (billions of U.S. dollars)
Thailand	99	181
Taiwan	93	585
Japan	92	3,000
Italy	86	550
Mexico	85	206
Venezuela	85	91
Colombia	85	18
Korea	82	648
Brazil	80	91
Argentina	80	38
Chile	75	28
France	73	1,200
Netherlands, Belgium	66	419
Germany	62	1,000
Spain	60	362
Sweden	60	171
Great Britain	54	685
Australia, New Zealand	45	160
Singapore	41	24
United States	35	1,900

These figures indicate that 99 percent of the software used in Thailand violates copyrights. This means that the copies brought in were not authorized. The result of this [unauthorized] copying was that the software producers lost \$181 billion.

I am not knowledgeable enough to say whether the figures presented by BSA are correct or not. I believe it is true that 99 percent of the software now in Thailand consists of [unauthorized] copies.

But what I am wondering is whether the percentage of [unauthorized] copies used is as important as the losses caused.

I know that normally businessmen consider money totals more important than percentages because percentages can be deceptive. For example I remember the former Director of Sukhothai Thamathirat University, Professor Dr. Wichit Sisa-an, telling me that one time in Mae Hong Son Province there were three students who registered to study one

subject. When the instructor arrived from Bangkok and only one student showed up for the course, the director joked that 33 percent of the students had showed up.

Therefore with regard to sales, the percentage sold is not what is important. One might sell only one percent but if the money taken in is in the millions, one must agree that the money is more important. It is the same with regard to the software; the losses caused are probably more important than the percentage of [unauthorized] copies in use.

If we compare the figures for losses again, we will see this:

Country	Losses
1. Japan	3,000
2. United States	1,900
3. France	1,200
4. Germany	1,000
5. Great Britain	685
6. Korea	648
7. Taiwan	585
8. Italy	550
9. Netherlands, Belgium	419
10. Spain	362
11. Mexico	206
12. Thailand	181

It is clear that the country causing BSA the greatest losses is not Thailand. Then why did BSA not announce that Thailand was in 12th place and that the people of the United States itself were causing the group the second highest losses in the world, losses 10 times higher than Thailand was causing!

The assertion that Thailand was the primary violator of copyrights in the world is a distortion. It is an unjust charge.

I do not know what purpose BSA has in insulting Thailand like this when Thailand is not in the top ten and the Thai government is proceeding to take strict action on intellectual property rights as never before, which is well known.

If I were the Thai government, I would review the policy regarding intellectual property rights again because if it is adopted, we would still be watched closely and they would still despise us. [passage omitted]

#### Software Industry Upset by Copyright Law Changes

93SE0233B Bangkok BANGKOK POST (POST DATABASE) in English 21 Jul 93 p 1

[Text] International software companies, local distributors of PC software and the legal representative of the Business Software Association were universal in their dismay at the proposed software copyright law that was approved by the Cabinet last Tuesday.

All agreed that there were too many loopholes in the proposed bill that would cause confusion. One distributor went as far as to predict fewer sales of legal software if the law were to be passed in its present draft form.

The law allows government agencies to use make "legal" copies of software "as long as it does not overly infringe on the rights of the copyright owner." The same freedom applies to copies for personal use.

PC software giant Microsoft's Country Manager Paul Sribibadh said there were too many exceptions to the proposed amendments, and "if the purpose was to protect the intellectual property of a developer, you want to develop a value system that enforces that, and having exceptions for personal use or educational use confuses the issue."

"We want students to see that software still has a value, and while Thailand has a chance to revise the law, it should do it in the right way."

He added "users of software need to be protected as well, to make sure that if they inadvertently use counterfeit software they would not be penalised."

Microsoft distributor Narong Intanate of The Valuesoft Vision said the proposed software copyright law was likely to reduce the number of users of original software, rather than to encourage its use, as there are many loopholes and unclear clauses.

Narong criticised the proposed copyright law in appearing to allow government agencies, which would be the biggest software users, to legitimately copy software. He added that giving permission to make legitimate copies of software for private use would also limit the buying of original software.

It would be only big corporations, large organisations and medium-sized companies that would need to buy original software, he said.

He added that now some government agencies allocated a budget to buy original MS DOS, but when this law was implemented there might not be any orders from this sector any more.

Ruthorn Noppakun, a lawyer for Damnoen, Somkiat and Boonma law office who represent the interests of the Business Software Association here, saw too many loopholes and unclear clauses that would allow wrongdoers to exploit the law and put it to the test, adding that the proposed law would leave too much responsibility with the judges.

He singled out Article 31, which in the first paragraph states that it would be permitted to make limited copies for personal use "as long as this did not overly infringe on the rights of the copyright owner."

This, he stated, would allow people to infringe on other's rights as the "over infringement" would be different depending on the point of view. He gave an example of AutoCAD that cost more than 100,000 baht per package. One copy of a package would be over-infringement for the vendor, but for a user it would be "just a copy," he said.

General Manager Vira Intanate of Thaisoft, distributors of Lotus, Auto-desk, Novell Netware and Borland products, said that the exceptions in the draft copyright bill would create a lot of confusion and uncertainties and would make it very difficult for law enforcement.

**Health Minister Criticizes Drug Patent Protection**

93SE0233C Bangkok BANGKOK POST (POST DATABASE) in English 17 Jul 93 p 6

[Excerpts] The effect on the public health of providing pipeline protection for patented drugs will be immense, the Public Health Ministry told a seminar on the subject yesterday.

Public Health Minister Boonphan Kaewattana admitted publicly for the first time the provision of protection would affect public health services and the growth of pharmaceutical industries.

Mr Boonphan said the United States had violated international law because GATT did not state the need to provide pipeline protection.

He said the basic "return benefits" should be taken into account before agreeing to Washington's demands.

Mr Boonphan said Thailand should not just follow countries like China and Korea and agree to the pipeline protection.

"The reason why other countries agreed to the demands of the United States is because they know the benefits they will receive are more than those won by the United States," he said. [passage omitted]

The Public Health Minister said patents for drugs should not be included with patents for other products as drugs are considered basic necessities of life.

He said the Government would have to spend much more to purchase drugs.

Thai Pharmaceutical Manufacturing Association president Jarurote Dankiatikong said the Commerce Ministry should state clearly in the drug patent law that the Red Cross Society is permitted to import new drugs which are not covered by the patent law.

Medical Association chief Kitti Yensudjai said the Government Pharmaceutical Organisation should reconsider its drug list because only 10,000 of the 30,000 drugs listed are used regularly in the country.

Medical Council member Somsak Lohlekha said doctors should take into consideration the amount patients have to spend on expensive medicines before giving prescriptions. [passage omitted]

**AIDS' Severe Impact on Insurance Industry**

93SE0233A Bangkok THE NATION in English 19 Jul 93 pp C1, 2

[Article by reporter Shiao-Pei Lin: "Counting the Costs"]

[Excerpts] [passage omitted] Amidst a flood of gloomy economic predictions for Thailand as a result of AIDS, insurance companies are considering a spate of new strategies to stay afloat.

Gays applying for new life insurance policies in Thailand are already furious over recent announcements by insurance companies that they must test HIV negative before their application will be approved. [passage omitted]

Jeffrey M Kestenbaum, president of American International Assurance Co Ltd Thailand (AIA), predicts that between

1995 and 2000, the number of deaths caused by AIDS could reach 200,000 to 300,000, and insurance companies like AIA, which controls more than 50 per cent of the Thai life insurance market, could be affected. "It's gonna cost us a lot of money in death benefits," said Kestenbaum. "I can't even begin to figure out the hospitalization costs."

The AIDS epidemic is likely to paralyze several sectors. With something on the order of only 35,000 hospital beds available and with the cost of drug treatments skyrocketing—especially if Thailand bows to US demands on pharmaceutical protection—Kestenbaum figures the HIV virus spells disaster for Thailand's economy. The earliest tremors are now being felt in the insurance market, which is trying to protect itself from a financial apocalypse. [passage omitted]

Currently, AIA is alone in its attempt to re-screen policy holders, but the insurance giant's reticence to insure carriers of HIV is starting to spread elsewhere.

Reports from the Ministry of Public Health, the Center for Communicable Disease and the Population and Community Development Association (PDA) have indicated that AIDS is rising among the mainstream population, not just so-called "high-risk groups" such as homosexuals and drug users. If the figures tally, life insurance companies are facing disaster before the end of the decade.

"That's what our statistics tell us. It's a huge number," says the 47-year-old Kestenbaum, a law graduate from Suffolk Law School, Boston University, Massachusetts.

He also said that if statistics prove to be accurate, Thailand will need an additional 200,000 to 300,000 hospital beds for the infected, who will have a long-term illness and need long-term care. "Treatment is very expensive and is going to cost a lot."

Although Kestenbaum won't give an estimate on the potential cost to AIA in death benefits, he said that the costs will hit all insurance companies hard, leaving them no choice but to pay.

"These existing policy holders are fully covered. There is no way that the coverage can be limited," said Kestenbaum. "It's like cancer or a heart attack."

Though he couldn't claim definitive figures, Kestenbaum suspects that roughly 20 to 30 AIA policy holders who have died in the last 10 years were HIV-positive or had full-blown AIDS.

"It is also estimated that 1.5 per cent—or 15,000—of the 1 million AIA policy holders will be killed by the disease within the next 10 years," said Kestenbaum.

Vice-chairman of the AIA, Sutti Rajitrasong, said that funds set aside for compensation in case of death might not be sufficient.

"HIV infections in Thailand may continue to grow at an alarming rate and the situation (the full impact) may not become clear for at least another four to five years."

The government Insurance Department does not maintain statistics from Thailand's 12 life insurance companies on policy holders who have died of AIDS, but one source told *Focus*, "there must already be numbers of policy holders who have died of HIV" and must have cost life insurance firms a lot of money.

Now, other local life insurance companies are considering setting aside special financial reserves for Aids to cope with the potentially enormous medical care costs for the infected. To limit their financial vulnerability, firms also may offer reduced returns for people who die of Aids-related causes.

Kittipong Jintavaraluk, president of the Thai Life Association and chief executive of Thai Srestakich Life, said that all insurance companies, due to the sensitivity of the Aids issue, have to be especially careful when adopting an Aids policy.

"It would be necessary for insurers to impose a limit of Bt3 million (per policy). We would also have to screen new (customers) to avoid a catastrophe or to attach conditions so that the original deposits plus interest could be returned if an insured person was found to be infected within five to 10 years (of taking out the policy). These measures could help

avoid impact on the broader segments of society. We may have 200,000 to 300,000 Aids-infected people out of the 4 million to 5 million policy holders. So unless special action is taken, the rest will have to share the extra costs," Kittipong said.

Such pre-conditions could dramatically change the manner in which insurance companies process claimants. Policy holders who became infected will HIV years after taking out their policy would face the very real possibility of having it revoked, while people who developed lung cancer or heart disease several years down the road could rest securely knowing their coverage wouldn't be pulled.

The Insurance Department will be the one to give the green light on any "re-screening" policy, but the department has been hesitant to accept such regulations. [passage omitted]

**END OF  
FICHE**

**DATE FILMED**

16 SEPT 1993